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STATE FOR NEA, NEA/IPA, NEA/PPD

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NSC FOR NEA STAFF

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HQ USAF FOR XXXX
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CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

- [1](#)1. Mideast
- [1](#)2. U.S.-Israel Relations

Key stories in the media:

The Jerusalem Post reported that Vice President Dick Cheney's second

meeting with PM Ehud Olmert on Monday morning, like their first meeting on Saturday night, was shrouded in mystery, leading to speculation among diplomatic officials that the focus was on stopping Iran's nuclear program.

Electronic media quoted Defense Minister Ehud Barak as saying this morning during a visit to an army base that the security establishment is considering relief measures for the Palestinians. He was quoted as saying: "It is obvious to everyone that in order to help the atmosphere of the talks with the Palestinians, we must do everything, where it does not compromise security, to try, even with a calculated risk, to institute relief measures." Israel Radio reported that Barak has allowed 600 Palestinian police to train in Jordan. They will eventually be posted in Jenin.

All media quoted the police as saying that an IDF non-commissioned officer (from the standing army) is suspected of providing sensitive security information on IDF troop movements along the Lebanese border to elements associated with Hizbullah. The NCO was arrested along with two Israeli Arabs who headed a drug smuggling ring. Yediot quoted defense officials as saying after the affair was made public that Hizbullah Secretary-General Sheikh Hassan Nasrallah plots to flood Israel with drugs. All media reported that on Monday Nasrallah promised to hit Israel "at the time and place of our choosing." The media noted that contrary to his pledge a few days, Nasrallah failed to provide evidence that Israel was behind the assassination of Imad Mughniyah. The Jerusalem Post cited assessments in Jerusalem that Syria's reticence in blaming Israel for killing Mughniyah, despite Hizbullah's claims of having "100% proof" that Israel was involved, indicates that there is some friction between Syria and Hizbullah. Makor Rishon-Hatzofe quoted Defense Minister Barak as saying that Hizbullah's threats must be taken seriously.

Ha'aretz reported that Israeli defense officials suggested on Monday that Hamas is interested in maintaining the lull in fighting against the IDF along the Gaza border. Likewise, Egypt is keeping up heavy pressure on Hamas leaders in Gaza not to deviate from the understandings reached with it regarding the suspension of fighting.

Ha'aretz quoted Defense Minister Ehud Barak as saying on Monday that if the rocket fire from the Strip and arms smuggling cease, "The door to another reality will open," but he added that "we are still far" from that reality. Barak added that Israel will not negotiate with Hamas, "except for indirect talks regarding kidnapped soldier Gilad Shalit." Ha'aretz reported that on Sunday Egypt released 33 Hamas operatives who were arrested in Sinai after the Rafah border fence was breached in late January. Ha'aretz wrote that this is a significant gesture by Cairo, evidently intended to "bolster" the lull. Ha'aretz reported that IDF sources confirmed that Hamas is also refraining at this time from supplying rockets to other Palestinian factions. Ha'aretz reported that Israeli defense sources told the newspaper that the lull should not be viewed as an agreement between Israel and Hamas. They were quoted as saying that Egypt was motivated to reach understandings with Hamas for interests of its own and out of fear the violence would spill over into its territory. Israel merely "hitched a ride on an arrangement already reached between Hamas and Cairo," the sources said. However, Ha'aretz reported that senior military commanders indicated this week that the lull is expected to be temporary, because Egypt will have a hard time securing an overall agreement due to the massive distance between the sides. Ha'aretz reported that the head of the Defense Ministry's Diplomatic-Security Bureau, Amos Gilad, who is in charge of the talks with Cairo, has been instructed to take a tough negotiating line with Egypt.

The media reported that on Monday there was an increase in the number of incidents along the Gaza border. At least one rocket and several mortar shells were fired at the western Negev, and IDF troops were fired on near the perimeter fence. There were no casualties.

The Jerusalem Post and Israel Radio reported that Russia and Egypt are expected to sign a civilian nuclear cooperation treaty this week that will boost Cairo's efforts to join a string of Sunni countries keen on developing nuclear potential and that government officials in Jerusalem believe it is intended to counter Iran's nuclear program. The Jerusalem Post quoted a GOI source as saying that Jerusalem would have no public or formal comment on the deal, and

that in principle Israel had no objection to Egypt's acquiring nuclear technology as long as Egypt was a member of the Non-Proliferation Treaty, which it is, and as long as it would be under ironclad supervision and regulations of the IAEA. Israel Radio also reported that the U.S. and Bahrain have signed a civilian nuclear cooperation agreement. Maariv reported that this week the UAE announced it was launching a civilian nuclear program.

All media reported that on Monday Bank of Israel Governor Stanley Fischer cut the prime interest rate by 0.5%. It now is 3.25%, the lowest rate in Israeli history. The move followed last week's announcement by Fischer that the Bank of Israel would purchase \$10 billion in the next two years in order to strengthen the dollar against the shekel.

Maariv and other media highlighted tension between Defense Minister and Labor Party Chairman Ehud Barak and the party's former leader, Amir Peretz. Maariv bannered: "Labor on Verge of Splitting."

All media reported that on Monday the Knesset approved a law intended to regulate organ donations in compliance with Jewish law. The bill was passed with the support of the ultra-Orthodox Shas party. Reflecting the views of the United Torah Judaism party, the ultra-Orthodox Hamodi'a, strongly protested against the law.

Ha'aretz reported that Arab sources told the newspaper on Monday that the leaders of at least 12 countries will not attend the Arab League summit in Damascus. Israel Radio reported that Arab League Secretary-General Amr Moussa is prodding Lebanon to take part.

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Tesfamariam Tekeste, the Eritrean Ambassador to Israel, was quoted as saying on Monday in an interview with Ha'aretz that Israeli must repatriate Eritrean "deserters." Ha'aretz quoted an Eritrean refugee as saying that the Eritrean government does "monstrous things."

Major media reported that in an audiotape released on Monday Al-Qaida deputy leader Ayman al-Zawahiri called on Muslims to strike Jewish and American targets in revenge for Israel's offensive in Gaza earlier this month.

Nibal Thawabteh, the Editor-in-Chief of the Palestinian monthly Al Hal (The Situation), whom Secretary of State Condoleezza Rice named one of eight International Women of Courage, was quoted as saying in an interview with The Jerusalem Post in Washington that she receives the prize "for all the courageous Palestinian women" and that her publication is "different from the newspapers of Palestine, because it is critical [and] courageous." Regarding the Israeli-Palestinian conflict, she was quoted as saying: "One day we will hopefully finish this conflict, because we've paid a lot."

Makor Rishon-Hatzofe cited the concern of many politicians in the Arab world over the candidacy of Senator John McCain for president.

Last night Channel 10-TV quoted air marshals employed in Israeli airlines as saying that their working conditions, including their salaries, are very poor, and that their presence on planes might not prevent hijackings.

Ha'aretz quoted political sources familiar with the Jonathan Pollard affair as saying that Israel has no knowledge of plans to release him from prison in the U.S., where he is serving a life sentence for spying on Israel's behalf. The comments came in response to statements by Pensioner Affairs Minister Rafi Eitan, who had been Pollard's handler, in an interview last night with the Knesset TV Channel. Eitan said that Pollard will be released soon. In response to a query by Ha'aretz, Eitan, who emphasized that his words were based on an "intuition," expressed his hope that President Bush will pardon Pollard on the occasion of Israel's 60th anniversary.

Summary:

Columnist Eitan Livne wrote in the independent Israel Hayom: "With the current state of domestic Lebanese and international politics, Nasrallah does not want to get into trouble with Lebanese army and the international forces, which could impact his freedom of movement. The Lebanese public would not forgive him for a new adventure."

Gershon Baskin, Co-Director of the Israel/Palestine Center for Research and Information (IPCRI), wrote in the conservative, independent Jerusalem Post: "The use of the word 'normal' is quite intentional by the authors [of the Arab Peace Initiative] who understood the deep transformation of Arab positions that 'normal' relations intended to indicate."

Senior columnist and longtime dove Yoel Marcus wrote in the independent, left-leaning Ha'aretz: "Given Syria's current state of isolation, with its Arab brothers in a huff and a boycott imposed on it by America, the time is ripe for Israel to invite it to join the good guys and urge the Bush administration, or the next one in line, to support an initiative for dialogue between the two countries."

Former ambassador to Egypt and Sweden, contributor Zvi Mazel wrote on page one of The Jerusalem Post: "The present steps [taken by Egypt to advance its civilian nuclear program] might be seen as a means of letting the U.S. know that it should not push Egypt too far."

Block Quotes:

I. "The Joke Is on Nasrallah"

Columnist Eitan Livne wrote in the independent Israel Hayom (3/25): "Nasrallah is dying to avenge [Imad] Mughniyah's death, but he's in a trap. Any large-scale action could come flying back in his face like a boomerang. With the current state of domestic Lebanese and international politics, Nasrallah does not want to get into trouble with Lebanese army and the international forces, which could impact his freedom of movement. The Lebanese public would not forgive him for a new adventure.... A terrorist attack overseas poses problems as well. After all, the person who was responsible for that kind of activity was Mughniyah. And what would a terror attack do to Hizbullah's public image -- an organization that has political aspirations? Furthermore, the Arab League summit meeting is about to be held in Damascus, and it is in everyone's interest that the central subject on the table be the Palestinians and not the Lebanese. Until Hizbullah is able to find a way to take revenge without having to suffer unduly, Nasrallah takes comfort in the panic that has gripped Israel. That too is a form of revenge."

II. "A Long Way from the Three Noes"

Gershon Baskin, Co-Director of the Israel/Palestine Center for Research and Information (IPCRI), wrote in the conservative, independent Jerusalem Post (3/25): "The Arab Peace Initiative offers Israel, in return to meeting the demands, full peace and 'normal' relations with all 22 Arab countries. The use of the word 'normal' is quite intentional by the authors who understood the deep transformation of Arab positions that 'normal' relations intended to indicate.... There is talk in the Arab world that because Israel has not responded positively to the Arab plan - on the table since March 2002 -- that the time has come to withdraw the offer. Is that the achievement that Israel would like to take credit for? It seems to me that the primary strategic objective of the Olmert government is to reach a framework agreement on permanent status with the Palestinian leader Mahmoud Abbas. At the same time, perhaps Olmert should accept the Syrian offer to renew negotiations and to continue the process until full agreement is reached. The issue of the Sheba farms, over which Israel has no claims of sovereignty, should be discharged to the United Nations with an Israeli demand that its security concerns be addressed before Israeli troops leave the area. Undertaking all of these steps would provide the Arab world with hard evidence that Israel was in fact implementing all of the demands of the Arab Peace Initiative and now the challenge would be referred back to the Arab League to begin to start planning for establishment of diplomatic and normal relations with Israel instead

of planning to withdraw the offer of full and comprehensive peace in the region."

III. "Go to Damascus"

Senior columnist and longtime dove Yoel Marcus wrote in the independent, left-leaning Ha'aretz (3/25): "[The Palestinian] leaders are divided into goodies and baddies. The goodies are prepared to talk to us about a peace agreement, but they are too weak to reach any kind of accord in the name of the Palestinian people. The baddies just want us dead. Toward that end, they are linked up to the axis of evil -- to Iran, Hizbullah and all the countries and groups that embrace raging Islamic fundamentalism. Under the circumstances, we have two options: We can sit and twiddle our thumbs, which means wasting precious time, or we can launch a new political initiative -- talks with Syria. Now, as countries in this region are growing weaker, and the terror organizations are growing stronger and working toward the delegitimization of Israel as a state that has no right to exist, it is vital to cut Syria's links with Iran, Hizbullah and the terrorist groups it is harboring.... Given Syria's current state of isolation, with its Arab brothers in a huff and a boycott imposed on it by America, the time is ripe for Israel to invite it to join the good guys and urge the Bush administration, or the next one in line, to support an initiative for dialogue between the two countries.... An agreement with Syria would strategically change the picture in this region: It would isolate Iran, neutralize the headquarters of the terrorist organizations and strengthen the moderate Islamic regimes. Unlike the Palestinian leadership at the moment, the Syrians, in their bid for international acceptance, are capable of delivering the goods. But only if Israel realizes that secure and recognized borders come with a price tag, a hefty one, but worth it for peace -- the Golan Heights."

IV. "Cairo Climbs the Nuclear Pyramid"

Former ambassador to Egypt and Sweden, contributor Zvi Mazel wrote on page one of The Jerusalem Post (3/25): "The announcement that Egypt is going to cooperate with Russia to develop its nuclear energy program should not come as a surprise. After all, the Soviet Union was the first country to start cooperation with Egypt in this field in 1961, when it built its first two-megawatt nuclear center for research in the town of Inchass. That is where Egypt began to acquire knowledge and expertise in the field of nuclear technology and to train its first nuclear technicians.... The driving force behind [the 2006] decision [to restart the nuclear program for peaceful purposes] was the ongoing crisis with Iran.... Sunni Egypt was compelled to enter the field to counterbalance Shi'ite Iran's growing threat to the international community and to the Middle East.... Turning its back on America, which sends billions of dollars in aid each year and cooperates with Egypt in a number of projects, might lead to a crisis in the relations between the two countries. The present steps, however, might be seen as a means of letting the U.S. know that it should not push Egypt too far."

12. U.S.-Israel Relations:

Summary:

Veteran journalist Hemmi Shalev wrote in the independent Israel Hayom: "It is absolutely uncertain whether [Obama's election] would be good for the Jews."

Block Quotes:

"America's Black Past"

Veteran journalist Hemmi Shalev wrote in the independent Israel Hayom (3/25): "One must admit that [Obama's] election would fill the ancient Chinese curse -- 'May you live in interesting times.' This would certainly be good for the media, perhaps also for the

Americans, but it is absolutely uncertain whether it would be good for the Jews."

JONES